

AMENDED IN ASSEMBLY JUNE 18, 2009

AMENDED IN SENATE JUNE 1, 2009

AMENDED IN SENATE MAY 18, 2009

AMENDED IN SENATE MAY 5, 2009

AMENDED IN SENATE APRIL 15, 2009

SENATE BILL

No. 213

Introduced by Senator Florez

February 23, 2009

An act to amend Sections ~~19981 and 19984 of~~, *19962 and 19963 of* and to add and repeal Section ~~19963.5 of~~, the Business and Professions Code, relating to gambling.

LEGISLATIVE COUNSEL'S DIGEST

SB 213, as amended, Florez. Gambling establishments: proposition ~~players licenses~~.

Existing law regulates legal gaming in California and prohibits, until January 1, 2015, the governing body and the electors of a county, city, or city and county from authorizing or expanding any legal gaming beyond that permitted on January 1, 1996. Additionally, the commission is prohibited, until January 1, 2015, from issuing a gambling license for a gambling establishment that was not licensed to operate on December 31, 1999, except as specified.

This bill would extend the operation of these provisions to January 1, 2020.

~~(1) The Gambling Control Act provides for the licensure of certain individuals and establishments involved in various gambling activities, and for the regulation of those activities, by the California Gambling~~

~~Control Commission. Existing law provides for the enforcement of those activities by the Department of Justice. Existing law provides that any violation of the act for which a penalty is not provided is punishable as a misdemeanor.~~

~~The act prohibits, until January 1, 2015, the governing body and the electors of a county, city, or city and county from authorizing or expanding any legal gaming beyond that permitted on January 1, 1996. Additionally, the commission is prohibited, until January 1, 2015, from issuing a gambling license for a gambling establishment that was not licensed to operate on December 31, 1999, except as specified.~~

~~This bill would, notwithstanding those prohibitions and other limitations on the expansion of gambling, until January 1, 2020, prohibit the commission from issuing a gambling license for a gambling establishment that is not licensed to operate on January 1, 2010.~~

~~(2) The act prohibits a member of the commission, the executive director, the chief, and any employee of the commission or Department of Justice designated by regulation, for a period of 3 years after leaving office or terminating employment, for compensation, from acting as agent or attorney for, or otherwise representing, any other person by making any formal or informal appearance, or by making any oral or written communication, before the commission or the department, or any officer or employee thereof, if the appearance or communication is for the purpose of influencing administrative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, or approval.~~

~~This bill additionally would prohibit a member of the commission, the executive director, the chief, and any employee of the commission or department designated by regulation, for a period of 2 years after leaving office or terminating employment, from being employed as a consultant or key employee of a gambling establishment.~~

~~(3) The act allows a licensed gambling establishment to contract with a 3rd party for the purpose of providing proposition player services, subject to specified conditions.~~

~~This bill would prohibit the duration of a contract between a gambling establishment and a 3rd-party provider of proposition player services from exceeding 2 years.~~

~~The bill would delete an obsolete provision.~~

~~(4) Because this bill would impose new regulatory requirements, violations of which would be punishable as misdemeanors, this bill would impose a state-mandated local program.~~

(5) ~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: ~~yes~~-no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 19962 of the Business and Professions*
2 *Code, as added by Section 4 of Chapter 854 of the Statutes of 2006,*
3 *is amended to read:*

4 19962. (a) On and after the effective date of this chapter,
5 neither the governing body nor the electors of a county, city, or
6 city and county that has not authorized legal gaming within its
7 boundaries prior to January 1, 1996, shall authorize legal gaming.

8 (b) An ordinance in effect on January 1, 1996, that authorizes
9 legal gaming within a city, county, or city and county may not be
10 amended to expand gaming in that jurisdiction beyond that
11 permitted on January 1, 1996.

12 (c) This section shall become operative on January 1, 2010.

13 (d) This section shall remain in effect only until January 1, ~~2015~~
14 2020, and as of that date is repealed, unless a later enacted statute,
15 that is enacted before January 1, ~~2015~~ 2020, deletes or extends
16 that date.

17 *SEC. 2. Section 19963 of the Business and Professions Code*
18 *is amended to read:*

19 19963. (a) In addition to any other limitations on the expansion
20 of gambling imposed by Section 19962 or any provision of this
21 chapter, the commission may not issue a gambling license for a
22 gambling establishment that was not licensed to operate on
23 December 31, 1999, unless an application to operate that
24 establishment was on file with the department prior to September
25 1, 2000.

26 (b) This section shall remain in effect only until January 1, ~~2015~~
27 2020, and as of that date is repealed, unless a later enacted statute,
28 that is enacted before January 1, ~~2015~~ 2020, deletes or extends
29 that date.

1 ~~SECTION 1. Section 19963.5 is added to the Business and~~
2 ~~Professions Code, to read:~~

3 ~~19963.5. (a) Notwithstanding any other limitations imposed~~
4 ~~by this article, the commission shall not issue a gambling license~~
5 ~~for a gambling establishment that is not licensed to operate on~~
6 ~~January 1, 2010.~~

7 ~~(b) This section shall remain in effect only until January 1, 2020,~~
8 ~~and as of that date is repealed, unless a later enacted statute, that~~
9 ~~is enacted before January 1, 2020, deletes or extends that date.~~

10 ~~SEC. 2. Section 19981 of the Business and Professions Code~~
11 ~~is amended to read:~~

12 ~~19981. (a) A member of the commission, the executive~~
13 ~~director, the chief, and any employee of the commission or~~
14 ~~department designated by regulation, shall not, for a period of three~~
15 ~~years after leaving office or terminating employment, for~~
16 ~~compensation, act as agent or attorney for, or otherwise represent,~~
17 ~~any other person by making any formal or informal appearance,~~
18 ~~or by making any oral or written communication, before the~~
19 ~~commission or the department, or any officer or employee thereof,~~
20 ~~if the appearance or communication is for the purpose of~~
21 ~~influencing administrative action, or influencing any action or~~
22 ~~proceeding involving the issuance, amendment, awarding, or~~
23 ~~revocation of a permit, license, or approval.~~

24 ~~(b) A member of the commission shall not solicit or accept~~
25 ~~campaign contributions from any person, including any applicant~~
26 ~~or licensee.~~

27 ~~(c) A member of the commission, the executive director, the~~
28 ~~chief, and any employee of the commission or department~~
29 ~~designated by regulation, shall not, for a period of two years after~~
30 ~~leaving office or terminating employment, be employed as a~~
31 ~~consultant or key employee of a gambling establishment.~~

32 ~~SEC. 3. Section 19984 of the Business and Professions Code~~
33 ~~is amended to read:~~

34 ~~19984. Notwithstanding any other provision of law, a licensed~~
35 ~~gambling establishment may contract with a third party for the~~
36 ~~purpose of providing proposition player services, subject to the~~
37 ~~following conditions:~~

38 ~~(a) Any agreement, contract, or arrangement between a gambling~~
39 ~~establishment and a third-party provider of proposition player~~
40 ~~services shall be approved in advance by the department, and in~~

1 no event shall a gambling establishment or the house have any
2 interest, whether direct or indirect, in funds wagered, lost, or won.

3 (b) The duration of an agreement, contract, or arrangement
4 between a gambling establishment and a third-party provider of
5 proposition player services shall not exceed two years.

6 (c) The commission shall establish reasonable criteria for, and
7 require the licensure and registration of, any person or entity that
8 provides proposition player services to gambling establishments
9 pursuant to this section, including owners, supervisors, and players.
10 Those employed by a third-party provider of proposition player
11 services, including owners, supervisors, observers, and players,
12 shall wear a badge which clearly identifies them as proposition
13 players whenever they are present within a gambling establishment.
14 The commission may impose licensing requirements, disclosures,
15 approvals, conditions, or limitations as it deems necessary to
16 protect the integrity of controlled gambling in this state, and may
17 assess and collect reasonable fees and deposits as necessary to
18 defray the costs of providing this regulation and oversight.

19 (d) The department, pursuant to regulations of the commission,
20 is empowered to perform background checks, financial audits, and
21 other investigatory services as needed to assist the commission in
22 regulating third-party providers of proposition player services, and
23 may assess and collect reasonable fees and deposits as necessary
24 to defray the costs of providing this regulation and oversight. The
25 department may adopt emergency regulations in order to implement
26 this subdivision.

27 SEC. 4. No reimbursement is required by this act pursuant to
28 Section 6 of Article XIII B of the California Constitution because
29 the only costs that may be incurred by a local agency or school
30 district will be incurred because this act creates a new crime or
31 infraction, eliminates a crime or infraction, or changes the penalty
32 for a crime or infraction, within the meaning of Section 17556 of
33 the Government Code, or changes the definition of a crime within
34 the meaning of Section 6 of Article XIII B of the California
35 Constitution.